

GUJARAT UNIVERSITY SYLLABUS FOR F.Y BBA

SEMESTER I

CORE COURSE – 104 Principles of Economics (Micro)

Introduction: Knowledge has many branches and Economics is an Important and useful branch of knowledge. The knowledge of Economics is being used for initiating and accelerating growth in the Economies.

Objective:

1. To expose students to basic micro economic concepts.
2. To apply economic analysis in the formulation of business policies.
3. To use economic reasoning to problems of business.

Total hours : 40

Number of credits: 3

Lectures per week: 3 of one hour each

Unit	Weightage
Unit I	25%
Unit II	25%
Unit III	25%
Unit IV	25%
Total	100%

UNIT 1 (10 lectures)

Introduction (10):

1. Definitions of Economics: Scarcity and Growth definitions (2)
2. Introduction to Micro Economics: (3)
Definition, Scope, Importance and Limitations of Micro Economics
3. Important Concepts (2):
Economic goods and Free Goods, Price and Value, Want and Demand, Production Possibility Curve
4. Economic Systems (3):
Planned Economy, Free Market Economy and Mixed Economy

UNIT 2 (10 lectures)

Theory of Demand (10):

5. Meaning of Demand and Determinants of Demand – Demand Function (2),
6. Law of Demand, Expansion and Contraction of Demand, Increase and Decrease in Demand, Usefulness of Law of Demand, Exceptions to the Law of Demand (3),
7. Utility Analysis: Concept of Utility, Law of Diminishing Marginal Utility, Derivation of Demand Curve on the basis of the Utility analysis , Consumer's Surplus (5)

UNIT 3 (10 lectures)

Theory of Supply (10):

8. Meaning of Supply, Determinants of Supply, Expansion and Contraction of Supply, Increase and Decrease in Supply (4)
9. Demand and Supply as determinants of Price (2)
10. Meaning of Market, Types of Market and their important features: Perfect Competition, Monopoly, Monopolistic Competition and oligopoly (4)

UNIT 4 (10 lectures)

Theory of Distribution (10):

11. Marginal Productivity Theory of Distribution (2)
12. Rent: Concepts of Differential Rent and Scarcity Rent, Economic and Contract Rent, Quasi Rent, Pure Rent and Quasi Rent (2)
Wages: Concepts of Time Wages, Piece Wages, Money wages, real Wages, factors determining real Wages. (2)
Interest: Gross and Net Interest. Components of Gross Interest (1)
Profit: Theories of profit – risk, uncertainty, innovation (3)

Text Book:

- (1) Micro Economic Theory by R. Cauvery (S.Chand Publication.)
- (2) Micro Economics by M.John Kennedy (Himalaya Publication)

Reference Books:

- (1) Modern Micro Economics by H.L Ahuja (S Chand Publication)
- (2) Modern Economic Theory by K.K Dewett (S. Chand Publication)
- (3) Elementary Theory by K.K. Dewett & J.D.Verma. (S.Chand Publication.)
- (4) Principles of Economics by D.M.Mithani (Himalaya Publication)

Topics for assignments:

1. Discuss Basic Economic Problems.
2. Explain the nature of Economics.
3. Explain the Main Types of Demand (Price, Income, Cross).
4. Distinguish between Giffen Paradox and Veblen effect.
5. Distinguish between Composite Supply and Joint Supply.
6. Explain the special features of Factor Pricing. How does Factor

Pricing differ from Commodity Pricing?

7. Explain the Constituents of gross profit.

Suggested topics for seminars and presentations:

1. Features of Modern Economy
2. Relevance of floor and ceiling prices in modern economic system
3. Regulated and unregulated markets and their consequences
4. Public goods and private goods